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August 24, 2000

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FEDERAL COMMUNICATIONS COLINAISEIGN OFFICE OF THE SECRETARY

Via Hand Delivery

Ms. Magalie Roman Salas Secretary **Federal Communications Commission** 445 12th Street, S.W. Washington, D.C. 20554

Jeffrey S. Steinberg

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Re: Ex Parte Presentation in WT Docket No. 99-217 and CC Docket No. 96-98

Dear Ms. Salas:

Pursuant to 47 C.F.R. § 1.1206, the Real Access Alliance, through undersigned counsel, submits this original and three copies of a written ex parte presentation in the above-captioned proceedings. On August 24, 2000, the enclosed letter was delivered to Jeffrey Steinberg of the Wireless Telecommunications Bureau.

Please contact the undersigned with any questions.

Very truly yours,

Miller & Van Eaton, P.L.L.C.

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August 24, 2000

Via Hand Delivery

Jeffrey S. Steinberg, Esq.
Deputy Chief, Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Promotion of Competitive Networks in Local Telecommunications
Markets. WT Docket No. 99-217 and CC Docket No. 96-98

Dear Mr. Steinberg:

In a written and oral ex parte communication with you and other members of the Commission staff conducted on June 15, 2000, the Real Access Alliance recommended several steps that are within the scope of the Commission's jurisdiction and would promote competition in the delivery of services to building tenants. Among other things, the Alliance recommended that the Commission move the demarcation point in all buildings to the minimum point of entry ("MPOE"). This represented a change from the Alliance's original position, which was that the Commission's current Part 68 rule should not be changed because it gives building owners the flexibility to decide whether they wish to be responsible for maintaining wiring in their buildings. The Alliance made the recommendation in an effort to propose a constructive approach to the issues raised in the NPRM.

Several recent *ex parte* notices, however, have caused the Alliance to reconsider its recommendation regarding the location of the demarcation point. The Alliance originally believed that the proposal would enhance competition by making it simpler for competitive providers to reach their customers. The Alliance also believed that the proposal would be

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relatively simple to implement. Recent *ex parte* filings made by both ILECs and CLECs, however, indicate that neither belief may be correct. Upon further reflection, the Alliance believes that the Commission should not order that the demarcation point be moved in all instances.

Representatives of the CLEC industry have noted that setting the demarcation point at the MPOE may actually hinder competition by preventing CLECs from purchasing access to inside wire subloops as unbundled network elements ("UNEs"). Letter from Gunnar D. Halley, Counsel to Association for Local Telecommunications Services, to Magalie Roman Salas (Aug. 4, 2000); Letter from Gunnar D. Halley to Magalie Roman Salas (Aug. 14, 2000). This would only be a problem in those cases in which a CLEC did not have physical access to a building, and because building owners have strong incentives to grant access to competitors, the Alliance believes that the concerns expressed by ALTS are exaggerated. Nevertheless, there may be cases in which space limitations make entry by an additional provider impractical, or in which it is not cost-effective for a provider to install facilities in a building (such as when the provider has only a small number of customers in the building, or when a customer's limited service needs produce relatively low revenue for the provider). In such cases, obtaining access to the customer by purchasing a subloop UNE from the ILEC may be a CLEC's only option.

In addition, a recent submission by BellSouth notes that moving the demarcation point to the MPOE would hinder deployment of new technology, impose substantial costs that would have to be borne either by the ILECs or building owners, and would threaten the disruption of existing service. Letter from Angela N. Brown to Magalie Roman Salas (Aug. 21, 2000). These potential problems are of great concern to building owners, as well, and it now appears that moving the demarcation point would be much more complicated than it first appeared. Most building owners do not have the expertise to address those problems.

For all these reasons, the Alliance now urges the Commission to retain its existing rule. It may be possible, however, to include language regarding the location of the demarcation point and allocating responsibility for costs in the model agreement being prepared by the Alliance.

Please let me know if you have any questions.

Very truly yours,

Miller & Van Eaton, P.L.L.C.

By

Matthew C. Ames